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Approved For Release 2000/04/19 : CIA-RDP82-00457R00580003

X1A

INFORMATION REPORT

COUNTRY China

SUBJECT Economic and Security Measures, Canton Area

PLACE 25X1A

ACQUIRED

DATE OF
INFO.

19 SEP 50

NO. OF PAGES

1

NO. OF ENCLS.
(LISTED BELOW)

436

SUPPLEMENT TO
REPORT NO.

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SOURCE

1. On 10 July Kwangtung authorities issued secret orders to the Provincial Trade Bureau (Mao Yi Chu 貿易局) to purchase all types of foodstuffs, particularly rice. The plan was to dump a part of the government's old rice stock on the market at a very low price, to bring down the price of rice. Then the price falls, the Bureau was to purchase all of the rice available on the market. During the period 20 July to 7 August, the government purchased one and one-half million catties of rice in Canton and surrounding areas. This stock of rice has been sent to North China, with the explanation that Kwangtung is generally low and damp, and therefore not suitable for the storage of rice.
2. The rubber factory, formerly operated by the Nationalist Combined Services of Supply in the eastern part of Canton and taken over by the Communists when they entered the city, has ten Soviet technicians working to reopen it under Chinese Communist orders. From 20 to 30 June 200 Chinese skilled workers for the factory were engaged.
3. Authorities in Canton are repairing the bridge over the Pearl River, which was destroyed by Nationalist troops when they evacuated the city. The Kwangtung Public Construction and Engineering Company was awarded the contract for reconstruction while the Canton Railway Bureau and Hanyang Railway Administrative Office are responsible for building the spans. One pier had been repaired by late July; the other three were to be finished shortly. About 100 men are working on the bridge.
4. On 10 July the Canton Military Control Commission issued a quantity of arms to TUNG Sheng (曾生), Deputy Commander of the Kwangtung Military District Headquarters for establishment of a Public Security Division. The weapons included 35,000 Japanese rifles and 250 light and heavy machine guns. There were also some artillery pieces. These weapons were sent to the Huiyang (114-26, 23-05) area 20 July.

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Next Review Date: 2008

Approved For Release 2000/04/19 : CIA-RDP82-00457R00580003-8